

MEMORANDUM

NATIONAL SECURITY COUNCIL

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URGENT INFORMATION
July 20, 1973

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MEMORANDUM FOR MR. KISSINGER

FROM: Helmut Sonnenfeldt *HS*

SUBJECT: Soviet Diversion of Grain Bought in US to
Bangladesh

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In connection with this action, which [redacted] seems on the verge of occurring, I wanted to flag the fact that last year's US-Soviet grain agreement had a side-letter stipulating that there could be no re-export of grain bought in the US except to certain COMECON countries. My files on the grain agreement are very spotty, so I do not have this letter. I do not recall, for example, whether the re-export restriction applied only to CCC-financed grain or to all of it, whether cash or credit. Nor can I say whether the proposed diversion actually constitutes re-export, if, [redacted] it is to be repaid later in kind. Nor, of course, do I know whether any one has talked to the Soviets regarding a waiver of the stipulations in the side-letter, if that is indeed necessary.

My understanding is that the side-letter is held by Butz and maybe Letson, then General Counsel at Commerce, if he is still in the Government. Jim Lynn handled that part of the negotiations.

I just wanted you to be aware of this detail, in case you want the matter pursued.

MORI/CDF per C03319855

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